



CHILDREN'S  
HOSPITALS  

---

AUSTRALASIA

# BOARD GOVERNANCE CHARTER

BASED ON A TOOL PROVIDED BY:  **enterprise**care

This Board Governance Charter was first formally endorsed by the Children's Health Australasia (CHA) Board at its meeting of 20 November 2011. It applies to all activities of the CHA Board and staff until such time as it is amended or repealed by the CHA Board properly constituted.

This Charter has been developed based upon a template provided by an Enterprise Care Product. The copyright in the template is owned by Enterprise Care and CHA (CHA) has a limited license to use the Enterprise Care Product only for CHA's internal organisational needs. No rights of use are given to any other organisation. © Enterprise Care Pty Ltd.

CHA has made significant changes and additions to the template and reserves all rights in the changes and additions made.

## CONTENTS

<b>PART 1:</b>	<b>LEGAL CONTEXT</b>	<b>5</b>
1.1	Overview & context	5
1.2	Constitution	5
1.3	Compliance with laws	5
<b>PART 2:</b>	<b>GOVERNANCE POLICIES – BOARD OF DIRECTORS</b>	<b>7</b>
2.1	Board composition	7
2.2	Nomination of Directors	7
2.3	Appointment of Special Purpose Directors	8
2.4	Induction of Directors	9
2.5	Role & Responsibilities of the Board	10
2.6	Role & Responsibilities of Directors	12
2.7	Role & Responsibilities of the Board Chair	13
2.8	Election of the President (Chair) & Vice President	15
2.9	Board meetings	16
2.10	Observers at Board meetings	18
2.11	Board Committees	19
2.12	Directors' access to information & independent advice	20
2.13	Independence of Directors	20
2.14	Risk Management	21
2.15	Deed of Indemnity & Access	22
2.16	Board Accountability	23
2.17	Board Evaluation	24
<b>PART 3:</b>	<b>GOVERNANCE POLICIES – THE CEO</b>	<b>25</b>
3.1	Role & Responsibilities of the Chief Executive Officer	25
3.2	Accountability of the CEO	27
3.3	Limitations on the Authority of the CEO	27
3.3.1	Financial Planning & Budgeting	28
3.3.2	Financial Conditions & Activities	29
3.3.3	Financial Delegations	30
3.3.4	Asset Protection	31
3.3.5	Legal, regulatory & accounting compliance obligations	32
3.3.6	Contracts Arrangements	32
3.3.7	Compensation & Treatment of Employees	33

3.4	Selection & Appointment of a CEO	34
3.5	CEO Remuneration	34
3.6	Performance Appraisal of the CEO	34
3.7	CEO Termination	35
3.8	Emergency CEO Succession	36
<b>PART 4:</b>	<b>GOVERNANCE POLICIES – THE ORGANISATION</b>	<b>36</b>
4.1	Eligibility criteria, fees & services for membership	36
4.2	Member Representatives	38
4.3	Proxies for General Meetings	29
4.4	Medal of Distinction	29
4.5	Member Communications	40
4.6	Media Communications	41
4.7	Sharing secretariat services with Women’s Hospitals Australasia	41
4.8	Sponsorship	42
4.9	CHA Code of Conduct	43
4.10	Whistleblowers	44
4.11	Complaints & Conflict Resolution	45
4.12	External Auditor	46
4.13	Review of CHA Governance Charter	46
<b>Appendix A:</b>	<b>Australian Stock Exchange Principles of Good Corporate Governance</b>	<b>48</b>
<b>Appendix B</b>	<b>CHA Code of Conduct</b>	<b>49</b>

## PART 1: LEGAL CONTEXT

### 1.1 Overview

Children's Health Australasia (CHA) is an Australian Company Limited by Guarantee. This Board Governance Charter governs the operations of CHA, under Clause 32.1 of the Constitution which gives the Directors acting as a Board (known hereafter as "the Board") the power to determine policies and procedures for the Association's governance.

The Board is responsible for ensuring that CHA has an appropriate corporate governance structure to ensure the creation and protection of member value. This requires that the Board establish appropriate strategic direction and goals in line with the Objects of CHA (clause 2 of the Constitution), and ensure appropriate accountability and control systems are in place.

This Board Charter explains CHA's commitment to the principles and practices of good governance. It is not an all-inclusive document and should be read as an expression of principle. The Board will review and update this Charter on an annual basis.

CHA supports the principles of the Australian Stock Exchange Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles) published in March 2003 as they apply to an organisation with the scope of operation and breadth of member interest of CHA (see Appendix A)

### 1.2 Constitution

The Constitution of the Children's Health Australasia, ("the Constitution") is CHA's key governance document. The Board must ensure that it and CHA comply at all times with the provisions of the Constitution.

This Charter supports the Constitution of Children's Health Australasia ("the entity"). The Constitution takes precedence in the event of any inconsistency. All references to clauses in this Charter are referring to clauses in the Constitution.

### 1.3 Compliance with Laws

As a Not for Profit entity, CHA will comply with the *Corporations Act 2001* as well as all other applicable laws and statutes. Examples of applicable areas of regulation include:

- a) Employment law: Fair Work Australia Act 2008;
- b) Occupational health and safety law – the Occupational Health and Safety Act 2011;
- c) Consumer law: Competition & Consumer Act 2010;
- d) Intellectual Property law: Trade Marks Act 1996;

- e) Anti-discrimination legislation: Age Discrimination Act 2004; Australian Human Rights Commission Act 1986; Disability Discrimination Act 1992; Racial Discrimination Act 1975; Sex Discrimination Act 1984;
- f) Privacy law: Privacy Act; 1988;
- g) Australian Taxation law applying to a company limited by guarantee with confirmed Health Promotion tax status;
- h) Legislation and regulations relating specifically to CHA's business; e.g. the Corporations Act 2001

## **PART 2: GOVERNANCE POLICIES – BOARD OF DIRECTORS**

### **2.1 Board composition**

The Board shall comprise the number of Committee members (“Directors”) as specified in clause 27 of the Constitution.

The Board shall comprise Directors:

- a) with expertise in a range of professional disciplines relevant to Children’s health;
- b) with expertise in areas relevant to CHA’s interests and activities, such as (but not limited to), CEO’s and other senior managers of member hospitals (as per clause 27.3(a and 27.3(b), consumers of children’s health services, experts in not for profit governance, financial management, risk management, marketing, law, and/or accounting, as the Directors deem appropriate (under clause 27.3(c);
- c) from a range of geographic locations in Australia and New Zealand;
- d) with a balance of skills and experience; and
- e) of both male and female gender.

All Directors should be free from any interest and any business or other relationship which could reasonably be perceived to materially interfere with the Director’s ability to act in the best interests of CHA.

### **2.2 Nomination of Directors**

Directors shall be nominated and elected in accordance with clauses 28, 29 and 30 of the Constitution.

Under clause 28.2, which gives the Board power to makes rules relating to the nomination and election or appointment of Directors, the Board resolves that the following process shall be followed for nominations and election of Directors:

- a) Any vacancies likely to arise on the Board (due to the terms of sitting Directors expiring) shall be determined each year at least 3 months prior to the AGM;
- b) The members shall be notified of impending vacancies and asked to send nominations;
- c) Nominations shall be provided to the CHA Company Secretary no less than 5 weeks prior to the AGM;
- d) Nominations shall include:

- i. a brief (maximum of 200 word) biography of the nominee;
  - ii. a brief statement (maximum of 200 word) from the nominee of how they believe they can contribute to the CHA Board;
  - iii. a brief supporting statement (maximum of 200 words) for the nomination from an individual at the same or another CHA member organisation;
- e) The nominations, together with the information provided at (d) shall be provided in writing to all CHA members along with other AGM papers in accordance with clause 12 of the Constitution;
- f) Where an Ordinary Member wishes to use a proxy to deliver their vote at the AGM, the name and contact details of the proxy shall be provided to the Company Secretary no later than 3 working days prior to the AGM taking place. As outlined in clause 10.6, the Chairperson of the General Meeting has the discretion to allow a Representative to vote without meeting this rule, where they are able to establish their status as a Representative after the meeting, within a period determined by the Chairperson;
- g) Election of Directors shall be a standing item on the Agenda for the AGM;
- h) A vote shall be taken at the AGM in accordance with Clause 18 of the Constitution;
- i) The successful nominee shall be announced at the AGM and thereby appointed to the Board.

## 2.3 Appointment of Special Purpose Directors

Under clause 27.3(c) of the Constitution, the Board has the power to appoint up to 4 Special Purpose Board members. The Board acknowledges that there are an array of training courses available to support individuals to develop expertise in corporate governance, and that some organisations offer mechanisms for linking Directors with not-for-profit organisations seeking independent Directors.

Unless resolved otherwise, the Board resolves that the following process shall be followed for the appointment of a Special Purpose Board member:

- a) The Board shall determine the area of expertise it believes would complement that already provided by elected Directors, and agree on selection criteria;
- b) An advertisement for a pro-bono Director shall be placed in an appropriate public forum;



- c) Applications shall be considered by a selection panel made up of at least 2 of the following: the President, Vice President and/or CEO. The Board may resolve to constitute the selection panel differently;
- d) Potential applicants shall be interviewed by the selection panel;
- e) The selection panel shall make a recommendation to the Board for appointment of the preferred applicant;
- f) The Board may accept or reject the panel's recommendation:
  - i. If accepted, the applicant is offered the position and provided with an induction package and orientation session about becoming a CHA Director;
  - ii. If not accepted, the position shall be re-advertised and the process repeated.

Where the Board resolves that an alternative process is warranted for the appointment of a Special Purpose Board Member, it shall minute the rationale for that alternative process.

Special Purpose Directors shall be appointed for a fixed term of up to 3 years as per clause 31.3 of the Constitution. At the expiry of the 3 years, they shall be eligible to apply to be re-appointed for an additional 3 year term in accordance with clause 31.4 of the Constitution.

Special Purpose Directors may be removed from their position of Director on the terms outlined in clause 29.1 of the Constitution, which apply to all Directors.

## 2.4 Induction of Directors

It is the responsibility of the Board to develop an orientation program for new Board members. This induction process shall include but not be limited to:

- a) Provision by the Company Secretary of an induction pack containing a copy of:
  - i. the CHA Constitution;
  - ii. the most recent CHA Annual report;
  - iii. the CHA Board Governance Charter;
  - iv. copies of the Board meeting agendas and minutes for the preceding 6 months;
  - v. the Strategic Plan;
  - vi. the current Business/operational plan for the financial year;
  - vii. the Budget for the financial year as approved by the Board;
  - viii. the entity's risk management plan;
  - ix. templates and forms the Director will require to participate in Board meetings;
  - x. the Deed of Indemnity for Directors and the organisation's current Directors & officers indemnity policy; and
  - xi. other documentation as appropriate to supporting the orientation of the new Director to the Board's activities;

- b) An opportunity to meet or teleconference with the Board Chair (President) for a briefing on the Board;
- c) An opportunity to meet or teleconference with the CEO for a briefing on CHA's operations and activities.

Unless evidence can be provided of prior contemporary Board experience and/or governance training, new Directors to the CHA Board are **required/encouraged** within 6 months of joining the CHA Board, and at the CHA's expense, to participate in an agreed half to one day governance training course as offered by the Australian Institute of Company Directors or other appropriate provider.

## 2.5 Role & Responsibilities of the Board

The Board is responsible to its members for the overall governance of CHA, including ensuring the long-term viability and enhancing the performance of CHA through strategy formulation and policy making.

The Board comprises the individual Directors elected or appointed to the Board in compliance with Clause 27 and 28 of the Constitution. Individual Directors can only act to influence the decision-making of the entity when meeting formally as a group - as the Board.

The Board remains mindful of the Tricker model, which summarises Board responsibilities in diagrammatic form (see Figure 1):

**Figure 1: The Tricker Model of Board Responsibilities**

	Accountability (Conformance)	Leadership (Performance)
External focus	External accountability	Strategy
	Approve and work with CEO	
Internal focus	Monitoring and supervising	Policy and rule approving
	Past and present oriented	Future oriented

Source: Rober. I Tricker 1004 *International Corporate Governance: Text Reading & Cases*, New York, Prentice Hall.

The Board's responsibilities are to:

- a) Determine the **strategic direction** of CHA, through:
  - i. Determining the CHA's vision for the future, and making the choices to create the future for our members articulated in that vision;
  - ii. developing and endorsing a strategic plan for CHA at least every 3 years;
  - iii. monitoring changes in the external environment that have bearing on CHA's vision, and identifying implications for CHA's strategic direction & goals;
- b) Establish the **policies** by which the organisation will be governed, including:
  - i. developing and maintaining this corporate governance charter;
  - ii. approving Board policy documents and organisational position statements, including codes of conduct, continuous disclosure, legal compliance and other significant corporate policies;
  - iii. determining the delegations of power and responsibility to the CEO, and the limits to those powers and responsibilities;
  - iv. having input to and giving final approval of the annual business plan;
  - v. having input to and giving final approval of the annual budget;
  - vi. recognizing appropriate risks to the achievement of the strategic direction set, determining the Board's "risk appetite", having input to and giving final approval of the risk management plan, and ensuring appropriate systems of risk management and internal compliance and controls are in place;
- c) **Monitor and supervise** the organisation's **performance** and its control and accountability systems; including
  - i. monitoring the CEO's performance and implementation of strategy and policies, ensuring appropriate resources are available;
  - ii. monitoring progress against the business plan and budget;
  - iii. approving expenditure outside the approved budget and delegations;
  - iv. approving and monitoring any major capital expenditure;
  - v. reviewing, at least annually, the effectiveness of CHA's implementation of its risk management system and internal compliance and controls; and
  - vi. ensuring the entity's assets are safeguarded;

- d) Ensure **accountability** of the organisation to members, regulators, and other stakeholders, including through:
- i. approving and monitoring financial and other reporting to members, employees and other stakeholders;
  - ii. monitoring compliance with all legal and regulatory obligations, including provisions in the Constitution;
  - iii. evaluating its own (the Board's) performance and compliance with the Constitution;
- e) Ensure key **organisational positions** are filled with appropriately skilled and qualified individuals, including appointing and removing as necessary:
- i. a President (Chair) and two vice Presidents (clause 33);
  - ii. the CHA Company Secretary;
  - iii. the Chief Executive Officer;
  - iv. an external Auditor;
- f) Work **with** and **through** the CEO:
- i. providing leadership, guidance, advice and support to the CEO to deliver on the Board's strategic priorities;
  - ii. delegating appropriate authority and responsibilities to the CEO to establish programs, budget, administer finances and otherwise manage the organisation according to sound business practice;
  - iii. providing a credible and effective link between the members (owners) of CHA and the activities undertaken on their behalf by the organisation;
  - iv. holding the CEO accountable for the management of all delegated responsibilities.

## 2.6 Role & Responsibilities of Directors

By law, in discharging his / her duties, each Director of CHA must:

- a) **act in good faith** in the best interests of CHA and **for a proper purpose**;
- b) exercise **due care and diligence** that a reasonable person would exercise;
- c) adhere to and **uphold the Board's policies and decisions** properly arrived at, and respect the Board's authority to act, notwithstanding that the Director may have

offered a dissenting view at the Board table prior to the Board's decision being made;

- d) act in accordance with their **fiduciary duties**, complying with the spirit as well as the letter of the law, and **recognizing both their legal and moral duties** as a Director of Children's Hospital's Australasia;
- e) **commit the time** necessary to discharge effectively his/her duties as a Director;
- f) **remain informed** about CHA's mission, policies and services, and the range of views of members about CHA's operations;
- g) understand the complexities of the sector in which CHA operates in order to **adequately assess the opportunities and risks** faced by the sector and by CHA;
- h) prepare for and endeavour to **attend all Board meetings**;
- i) **respect the confidentiality** of all matters, information, discussions and deliberations coming before them as Board members and not disclose (or allow to be disclosed) confidential information of a sensitive nature gained in the course of performing their duties, other than as agreed by the Board, required by the Constitution or as required by law;
- j) systematically consider information relating to **CHA's performance**; and
- k) ensure that CHA **remains solvent** and does not trade while insolvent.

In addition Directors must:

- l) **avoid conflicts of interest**;
- m) immediately **declare** to the Board **any conflicts of interest** that may arise and comply with provisions in Clause 16 of the Constitution for addressing such conflicts;
- n) **not improperly use his/her position** or misuse information of CHA;
- o) **not claim to represent CHA's views** and policies except where explicitly authorised to do so by the Board;
- p) **not make negative public comment** about CHA, its Board, Directors, members or staff.

## 2.7 Role & Responsibilities of the Board Chair (President)

The Board Chair:

- a) Is elected by and accountable to the Board as a whole;

- b) Has all the same duties and responsibilities as other Directors of the Board, but is considered the 'lead' Director, with additional responsibilities for **leading the Board**, and for ensuring the integrity of the Board's processes and actions;
- c) Must commit the time necessary to discharge effectively his/her role as President and Chair of the Board.

The Chair's responsibilities are to:

- a) maintain a **good relationship with the CEO** to optimize the capacity of the CEO to fulfil her/his responsibilities;
- b) **oversee adequate processes to enable the Board to function properly** and effectively discharge its supervisory role in relation to Australian law and its own governance policies, including but not limited to:
  - i. developing the Board meeting agenda;
  - ii. chairing meetings of the Board;
  - iii. ensuring the Board complies with its own governance policies and prosecutes its strategic, policy, monitoring and accountability responsibilities effectively;
  - iv. facilitating all Directors making an informed and constructive contribution to the Board's deliberations;
  - v. guiding and mediating Board deliberations and responses with respect to major organisational priorities and governance concerns;
- d) promote constructive and **respectful relations** between Board members and between the Board and management;
- e) ensure that the annual **performance of the Board** and its Directors are evaluated in a professional and timely manner;
- f) ensure that the annual **performance of CEO** is evaluated in a professional and timely manner;
- g) be the **chief representative** and spokesperson for CHA to outside parties, unless another Board member, the CEO, or another Member is delegated to do so. All such representation shall reflect both the stated policy intent and the spirit of the Board's position;
- h) perform other responsibilities assigned from time to time by the Board.

The Chair is not empowered to:

- a) exercise the role of the Chief Executive Officer of the entity;

- b) unilaterally change Board governance policies, strategic directions or Executive Limitations (delegations) policies;
- c) inhibit the free flow of information to the Board necessary for sound governance;
- d) come between the Board and its formal links with the CEO by altering or controlling flows of information necessary for the Board to appropriately undertake its governance responsibilities;
- e) personally supervise or direct the CEO, except in relation to a matter where the CEO has breached Board policy.

## **2.8 Election of the President (Chair) & Vice Presidents**

Clause 33.1 of the Constitution requires the Board to appoint the Chair or President, and 2 Vice Vice-Presidents) from amongst the Directors. Clause 33.3 gives the Board power to make rules relating to the appointment of these office bearers.

The Board resolves that the following process shall be followed when an election falls due for the position of Chair, or Vice Chair of the Board:

- a) A specific agenda item for election of office bearers shall be included in the agenda for the first Board meeting following an Annual General Meeting;
- b) The positions shall be declared vacant for all office bearer's whose 2 year term expired at the AGM (as per clause 33.2);
- c) Should the Chair be among the office bearers whose term has expired, the CEO shall temporarily assume the role of Chair of the meeting (for this agenda item only);
- d) The Chair or CEO shall call for nominations for the vacant position(s);
- e) Each nomination shall be seconded by another Director;
- f) The nominee shall be asked if they accept the nomination;
- g) If the nominee accepts, and there is only one nomination, the nominee is automatically deemed elected. This outcome shall be recorded in the meeting minutes;
- h) If there is more than one nominee for the position, a secret ballot shall be held. The CEO and/or one of his/her staff will act as Returning Officer;

- i) The nominee with the greatest number of votes shall be declared elected. This outcome shall be recorded in the meeting minutes;
- j) Should there be an equal number of votes cast for each nominee, the vote shall be held a second time;
- k) At the conclusion of voting and minuting of elections of office-bearers, the CEO shall cease to be the meeting Chair, and the newly elected Chair will assume this responsibility for the remainder of the meeting;
- l) The outcome of the election of office bearers shall be communicated to members at the earliest opportunity, and within not greater than 10 working days of the election being held.

## 2.9 Board meetings

Board meetings shall be conducted in accordance with Clauses 35 and 36 of the Constitution. The purpose of these meetings over the course of each yearly cycle is to:

- a) determine and/or refine CHA's **strategic vision** and objectives in line with Clause 2 of the Constitution;
- b) engage in analysis and make **informed choices** to deliver the future articulated in CHA's vision for its members and their communities in light of changing environmental and other circumstances over time;
- c) review and approve **Board policies** as needed;
- d) **approve operational goals** for management including the annual operating plan and budget;
- e) **monitor progress** over time against strategic objectives;
- f) **monitor performance** of operational plans including financial results;
- g) confirm the appropriateness of the Board's **risk appetite**, and the effectiveness of **risk management** and compliance procedures and practices;
- h) approve the **annual audit** plans;
- i) **review CEO's performance** and undertake an annual formal review; and
- j) **set remuneration** for the CEO.



Clause 35.6 gives the Board the power to make rules related to the conduct of Board meetings. The Board resolves that the following processes shall apply to the preparation for and conduct of Board meetings:

- a) Meetings shall take place at a frequency determined by the Board, but not less than four times per year;
- b) Every reasonable effort should be made to organize meetings at a time and place that can be attended by all Directors and the CEO;
- c) Notice of a meeting shall be given at least 2 weeks in advance, except where the Chair decides that there are grounds for an emergency meeting of the Board. Emergency meetings require a minimum of 48 hours notice (as per clause 35.2);
- d) The Board may meet in person or by teleconference or other electronic means (clause 35.4). All the provisions of this charter apply no matter the means by which Board meetings are held;
- e) All Directors are expected to make every reasonable effort to attend meetings;
- f) Where a Director knows in advance that s/he is unable to attend a meeting s/he must give an apology and may provide the President with written advice of her/his vote on matters before the Board to the President ahead of the meeting;
- g) Directors are entitled to reasonable reimbursement for expenses incurred in travelling to and from Board meetings, in accordance with the CHA's travel reimbursement policy;

- a) The *indicative* cycle for Board meetings is as follows:

<b>Activity</b>	<b>Working days</b>
Draft Agenda prepared by President and Company Secretary	-17
Agenda finalised and confirmed by President	-12
All papers circulated to Board meeting attendees	-7
<b>Board Meeting held</b>	0
Draft Minutes sent to President	+3
Draft Minutes circulated to Directors	+7

- b) Directors, staff and members may put forward items for inclusion on the Board agenda. Agenda items shall be accompanied by a paper providing necessary information to support informed decision making by the Board;

- c) No papers shall be tabled at the Board meeting without prior notice, except with the permission of the Chair. Wherever possible, matters without notice (and without papers) shall be placed on the agenda for the subsequent Board meeting and a paper prepared;
- d) Directors are expected to make all reasonable effort to read the Board papers provided and to remain informed of issues, analysis, information, developments and policies that have bearing on CHA's strategic position and activities;
- e) Clause 35.7 provides that a quorum for Board meetings is 5 Directors present at all times;
- f) Decision making will be by consensus as far as possible. When a vote is required a decision shall be deemed made once a majority plus one of the Directors present at the meeting confirm their support for the resolution put. Each Director has one vote, subject to 36 of the Constitution;
- g) All Directors are entitled to be heard at all meetings and should bring an informed and independent judgement to bear in decision-making;
- h) Minutes of proceedings shall be kept of all meetings of the Board and its committees. Minutes will contain the official resolutions adopted by Board members as a group. All decisions will be recorded in the minutes by means of a formal resolution. Minutes will be made available to members upon request;
- i) Minutes will be draft only until they are formally moved and accepted by the next meeting of the Board (or by other formal means). Once minutes are formally accepted they cannot be changed. A record of all minutes shall be kept by the Company Secretary;
- j) The Directors shall meet in private session at least annually to assess the CEO's performance and effectiveness.

## 2.10 Observers at Board meetings

The Board shall treat all Board meetings as *in camera* sessions, but may invite or request the attendance of any person as an observer (clause 32.3 of the Constitution).

Observers may attend any part or the whole of the Board meeting, at the discretion of the Board, agreed to by a majority of Directors.

Observers may be invited to speak on agenda items, and/or to provide reports, advice, information or counsel that may assist the Board in considering its view or response on matters before it.

To avoid the potential for an observer to be deemed by a court to be a 'de-factor Director' of CHA, any observer at a Board meeting shall be careful not to:

- a) make, or participate in making, **decisions** that affect the whole, or a **substantial part**, of the business of the CHA;
- b) be understood to have the capacity to affect significantly the corporation's financial standing; or
- c) be understood to be issuing instructions or wishes in accordance with which the Directors of CHA are accustomed to act. (Note: This excludes advice, counsel and information given by the observer in the proper performance of the attendee's professional capacity or their business relationship with the Directors or CHA, e.g. being a consultant on strategic planning or governance).

Observers may not attend a Board meeting without the prior consent of the Board.

By accepting an invitation to observe a Board meeting, the observer consents to be bound by the normal rules of confidentiality that apply to Directors of CHA as outlined in this Charter.

## 2.11 Board Committees

Under Clause 41 of the Constitution, the Board may establish Board Committees and/or Working Groups to assist the Board in fulfilling its duties and responsibilities when it becomes apparent that the business of the board requires a more focused approach than can be done with the full Board.

The following rules apply to the creation, conduct and dissolution of Board Committees

- a) The Board shall ensure that each Committee has a formal terms of reference endorsed by the Board that outlines:
  - i. objectives, role and powers if any;
  - ii. expected outputs, timelines and annual goals;
  - iii. accountability;
  - iv. membership and length of appointment, including processes for appointing members, and whether and by CHA process additional members may be co-opted by the committee to meet particular requirements for expertise;
  - v. resourcing arrangements (e.g. secretariat support), authorised use of management time, processes for obtaining independent external advice. Etc);
  - vi. meeting arrangements and quorum;
  - vii. reporting procedures to the Board;
  - viii. time limit – 'sunset' or dissolution clause.

- b) With the exception of certain limited delegations contained in their terms of reference, recommendations of the Committees are to be referred to the Board for approval. The Board reserves the right to accept, reject or modify Committee recommendations;
- c) Committees of the Board may not:
  - i. make decisions, undertake activities or engage resources outside the provisions contained in the Committee's terms of reference;
  - ii. change their own terms of reference, although advice may be given to the Board on a recommended change;
  - iii. make decisions on behalf of the Board unless the Board has charged the Committee with the authority to do so, in a specific circumstance. [Note: In these circumstances, the Board still remains accountable for that decision];
  - iv. make representations to any stakeholders (including members, government agencies, suppliers, employees or other parties or organisations) or enter into any agreements with third parties, on behalf of the Board;
  - v. exercise authority over CHA staff, nor delegate activities to any staff unless the CEO has specifically agreed to such delegations;
- d) Committees may be required to evaluate themselves annually and give this report to the Board.

## **2.12 Directors' access to information & independent advice**

The Directors must be provided with the information they need to efficiently discharge their responsibilities.

The Board will arrange for management to supply the Board with information in a form, timeframe and quality that enables Directors to effectively discharge their duties. All Directors are to receive copies of Board papers.

Any Director may take such independent legal, financial or other advice as s/he considers necessary at CHA's expense provided:

- a) the advice sought is in writing;
- b) the advice sought is directly relevant to CHA affairs; and
- c) the Chair's consent is first requested and obtained. The consent of the Chair will not be withheld unreasonably.

## 2.13 Independence of Directors

Independence of Directors speaks to the Director's legal and fiduciary responsibilities to make decisions and act in the best interests of Children's Hospitals Australia, free from any conflicting interest or loyalty that may impact detrimentally on the capacity to carry out their responsibilities (as outlined in Clause 37 of the Constitution and the Section 2.6 on 'Role and Responsibilities of Directors' on page 12 of this Charter).

A Director of CHA will be considered to be independent if he or she:

- (a) has not, within the last three years, been a paid principal or material professional adviser or a material paid consultant to CHA, or an employee materially associated with the service provided;
- (b) is not a material supplier or customer of CHA, or an officer of or otherwise associated directly or indirectly with, a material supplier or customer;
- (c) has no material contractual relationship with Children's Hospital Australasia other than as a Director; and
- (d) is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of CHA.

CHA considers that length of service on the Board does not affect a Director's ability to act in the best interests of the members and the organisation. Members elect Directors to the Board to act on their behalf in accordance with the Constitution.

The above guidelines must be applied with common sense. Directors are best able to determine if they have an interest or relationship which is likely to impact on their independence. As such, each Director is expected to advise the Chair immediately if s/he believes they may no longer be independent. Should the Chair or any other Director have any concern about the independence of a Director, s/he must immediately raise the issue with that Director and, if the issue is not resolved, with the Board.

Should the Chair have any concern about his/her own independence, s/he must immediately raise the issue with the Board.

## 2.14 Risk Management

The Board is committed to protecting the human, financial and good-will assets and resources of the organisation through the practice of effective risk management. The Board ensures that all levels of the organisation have a risk management policy and plan that broadcasts the organisation's commitment to safety to staff, clients and the wider community.

The Board ensures, through the budget process, that there are sufficient resources available to implement the risk management plan and monitors the development and implementation of this plan.

In developing a risk management policy and plan the Board ensures that:

- a) The safety of board members, employees, volunteers, clients and donors is given the highest priority in their interaction with CHA;
- b) Buildings, facilities, equipment, materials, copyright and trademarks are cared for in such a way that characterises responsible stewardship;
- c) Employment policies and practices are established and followed so that staff experience a just workplace;
- d) CHA conforms with all legal and regulatory requirements;
- e) CHA provides a safe physical environment for any person who is likely to come in contact with its property and premises;
- f) The reputation of CHA is enhanced through its service delivery, marketing or fund raising activities;
- g) The internal financial controls adequately protect the assets of the organisation.

The CEO will present to the Board for its consideration, a risk assessment of any proposed project, venture or endeavour that is outside the organisation's normal business activity.

The CEO provides the Board with a regular (twice yearly) risk management report for its consideration.

## **2.15 Deed of Indemnity & Access for Directors**

The Constitution (Clause 56) indemnifies each Director to the fullest extent permitted by law. Each Director is entitled to a deed of indemnity, which shall include provisions relating to:

- a) access to Board papers;
- b) confidentiality;
- c) indemnity by the entity; and
- d) the provision of Directors and Officers insurance.

## 2.16 Board Accountability

Boards act as agents for their 'owners' (members), with authority over and accountability for the outcomes, behaviours and actions of the organisation. The Board is accountable for the overall performance of the organisation.

The Board's job is to see to it, on behalf of the owners (present and future), that the organisation produces CHA the owners expect (i.e. fulfil the purpose of the organisation's reason for existence) while avoiding situations and conduct that owners (and the law, stakeholders and the community) expect should not occur.

Directors are therefore responsible for establishing an appropriate system for governance. This is reinforced in the recently published *ASX Principles of Good Corporate Governance* that set out 8 'principles' for corporate governance good practice in Australia (see Appendix A).

The CHA Board is accountable first and foremost to the **members of the CHA** for exercising the authority given to it in the CHA Constitution (2011) and Australian law.

The Board places great importance on maintaining a strong relationship with the members of CHA and keeping CHA's members informed of progress in CHA's purpose (as outlined in Clause 2 of the Constitution).

The Board therefore resolves to:

- a) Represent the CHA ownership as a collective, i.e. all members equally, and not the singular interests of a particular member or group of members;
- b) Communicate with the membership regularly;
- c) Meet with members or their delegates as regularly as practicable;
- d) Elicit and gather information about matters concerning CHA member interests and desires, both in and outside of general meetings;
- e) Consult with and disclose to members any material changes to the CHA's purpose, strategic directions, structure or operations;
- f) Utilise member feedback as part of any self-assessment of the performance of the Board and the management;
- g) Ensuring transparency and accuracy in any management of member relations.

The Board also acknowledges that it has a 'moral' (as opposed to legal) accountability to the many stakeholders in the CHA in both Australia and New Zealand, including but not limited to:

- a) women and their families who access the health care services of our members;

- b) health professionals who work with and for our members;
- c) other professionals (management, finance, data, ancillary service providers and many others) who work with and for our members;
- d) health professional bodies;
- e) regulatory bodies;
- f) government agencies.

for ensuring the conduct of CHA is at all times lawful, ethical, responsible and conscientious.

## **2.17 Board Evaluation**

The Board shall have an evaluation of its performance annually to determine whether it is functioning effectively by reference to current best practice corporate governance and regulatory obligations.

Board evaluation shall be undertaken by an external consultant with appropriate expertise at a minimum of once every 3 years.



## PART 3: GOVERNANCE POLICIES – THE CEO

### 3.1 Role & Responsibilities of the Chief Executive Officer

The CEO is responsible for the day-to-day management of CHA within the strategic directions established by the Board with all powers, discretions and delegations authorised, from time to time, by the Board. The Board shall be responsible for regularly reviewing and ensuring that all necessary and appropriate delegations are in place to enable the CEO to meet this responsibility.

The CEO:

- a) is the executive officer and Company Secretary to the Board;
- b) supports the Board with strategic information, ideas and reports that are relevant, timely and accurate;
- c) plans, co-ordinates and implements the policies established by the Board;
- d) reports directly to the Board through written and verbal reports;
- e) assures the Board of compliance to its policies through agreed upon reporting processes at least annually or as otherwise specified.

The CEO is regarded as an “ex-officio” member of the Board and shall be entitled to:

- a) attend all board meetings, excluding *in camera* sessions unless requested by the Board to be present;
- b) participate in any discussions relating to any question or motion before such meetings;
- c) offer advice, counsel, information, make recommendations and provide their opinion on matters before the Board;
- d) have access to all Board documents and minutes, excluding minutes of any *in camera* sessions unless provided access by the Board;
- e) receive notices of all Board meetings;

but shall not be entitled to vote on any Board motion.

The CEO is responsible for:

- a) The overall leadership and ongoing **management** of the day to day operations of CHA including operational, financial and behavioural performance of the CHA;
- b) Developing, with the Board, a consensus for CHA’s annual strategic goals performance targets and standards – the ‘**annual business plan**’;

- c) Providing strong leadership to, effective management of all **staff** employed and/or contracted to the organisation, including:
  - i. Directly appointing staff and negotiating their terms and conditions of appointment;
  - ii. Coaching and developing staff and conducting annual performance appraisals;
  - iii. Encouraging, building and maintaining high staff morale; teamwork; a strong sense of staff allegiance to, the CHA; and ensuring that all personnel act with the highest degree of ethics and probity;
  - iv. Dismissing staff as appropriate and in accordance with requirements of the Fair Work Act 2009;
- d) Identifying, sourcing and reviewing **business development opportunities** for future organisational development and growth and providing the Board with advice, counsel and information on business development and expansion opportunities;
- e) Developing and implementing any **operational policies**, decisions, actions, practices and activities (including operational budgets, strategies, programs, plans, projects, contracts, personnel agreements, fiscal statements, etc);
- f) Establishing and leading any **operational committees**, business units and working parties as needed from time to time;
- g) Effective **marketing** of CHA to existing and potential members;
- h) Overseeing the development, maintenance, security and utility of the **physical resources**, assets, facilities, premises and locations;
- i) Developing and implementing an effective **compliance** culture and appropriate systems to ensure all legal, statutory, regulatory, accounting and CHA policy obligations are fulfilled;
- j) Developing and implementing appropriate **risk management** systems; and
- k) Other duties as delegated to the CEO by the Board from time to time.

Aspects of these responsibilities may be delegated at the CEO's discretion, noting that all accumulated accountability for all operational functions resides with the CEO.

## 3.2 Accountability of the CEO

The CEO is accountable for the achievement of the Board stated strategic directions and performance targets and standards (as set by the CHA Board in conjunction with the CEO) and documented in the annual business plan.

The CEO is also accountable for

- a) overall operational, financial and behavioural performance of the CHA; and
- b) the effective, efficient, lawful, prudent and ethical management of all operational aspects of the organisation;

within the delegated authorities and constraints expressed by the Board in the Executive Limitation policies contained within this Charter.

At each meeting where the Board approves the full-year financial statements, the CEO must provide the Board with written certification which includes statements that:

- a) CHA's financial reports present a true and fair view, in all material respects, of CHA's financial condition and operational results and are in accordance with relevant accounting standards;
- b) this certification is assured on the basis of a sound system of risk management, internal compliance and controls which ensure full implementation of the policies adopted by the Board; and
- c) CHA's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

### **3.3 Limitations on the Authority of the CEO**

While the Board has power and responsibility to govern CHA, it can not effectively do so without the CEO executing its policies and decisions, managing the staff and resources, representing the organisation to stakeholders, etc.

The Executive Limitations policies outlined in this section provide clear guidance and boundaries to the CEO from the Board on the latitude the CEO may exercise in choosing the organisational methods, practices, conduct and other means to achieving CHA's strategic goals.

The Board may change its Strategic Direction and Executive Limitations policies at any time. By doing so, the Board changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the Board will respect and support the CEO's choices made based on any reasonable interpretation of those policies.

The CEO shall not cause or allow any practice, activity, decision, or organisational circumstance that is unlawful, imprudent, inefficient [wasteful] or in violation of the organisation's corporate values or commonly accepted social, business and professional ethics or generally accepted accounting principles

Limits of authority expressed in this policy include limits to:

- a) enter into strategic commitments;
- b) incur costs associated with core business processes and the ordinary operations of CHA;
- c) authorise payments;
- d) undertake specific treasury related transactions;
- e) commit CHA to capital expenditure;
- f) enter into contractual commitments, for example, leases and guarantees;
- g) make decisions on staffing matters including appointments, terminations, remuneration, promotions, bonuses, training and the use of contractors and temporary staff;
- h) commence or conclude litigation.

All Executive Limitations imposed on the CEO are limitations imposed on all management, so that violation by any part of the CHA Governance Charter is a violation by the CEO.

### 3.3.1 Financial Planning & Budgeting

The Board acknowledges its own responsibility for ensuring the ongoing financial viability of CHA and compliance with various financial constraints placed on it by outside agencies (legislative, contractual, etc).

The Board acknowledges that the financial plan/budget is a management tool (i.e. the planned costs of achieving the Board's stated organisational results) and the CEO is responsible for designing the 'numbers' associated with the costs of CHA's activities/actions and anticipated revenues to achieve the results sought.

The CEO may make changes to the financial plan/budget at any time without Board approval as long as the CEO demonstrates that the boundaries within this Limitations Policy are respected.

The CEO's reports on financial plan/budget variances must reflect the implications for the rest of the financial year rather than merely explaining what has already happened.

To ensure financial viability and compliance, the following financial framework makes clear those things that the CEO must **not** do in the development of the financial plan/budget for any fiscal year (or the remaining part of any fiscal year). Accordingly, the CEO shall not allow financial planning/budgeting that:

- a) Fails to be dedicated to the achievement of, and shall not deviate materially from, the Board's **Strategic Direction** priorities or purposes;
- b) Neglects to take into account longer-term issues, priorities, plans and predictions;

- c) Fail to include credible **projections** of revenues and expenses, cash flow (for defined periods), separation of capital and operational items, and disclosure of planning assumptions;
- d) Confuses or misleads **audit trails**;
- e) Results in financial harm to the organisation or risks **fiscal jeopardy**;
- f) Plans the expenditure in any fiscal year that would result in **default** under any of CHA's financing agreements or cause the **insolvency** of the organisation;
- g) Allows the **cash level** to drop below a safety reserve of less than \$10,000 at any time;
- h) Plans the **expenditure** in any fiscal year of more funds than are conservatively projected to be received in that period (unless offset by Board approved borrowings or withdrawals from reserves outside of guideline policies);
- i) Threatens the organisation's financial status by allowing CHA's equity to fall below board-determined levels:
- j) Plans to use **financial reserves** outside Board-approved parameters;
- k) Does not make provision for **the Board's own operational expenses** (i.e. not provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy).

### 3.3.2 Financial Conditions & Activities

With respect to the actual, ongoing financial condition and activities, the CEO shall not make financial decisions that cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from the Board's Strategic Direction policy priorities or purposes.

Accordingly, the CEO shall not:

- a) Operate CHA so as to cause it to be in default under any of its financial arrangements (e.g. contracts for services);
- b) Expend more funds than have been received in the fiscal year to date, unless the debt guideline is met;
- c) Indebt CHA in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days;
- d) Make a single purchase or commitment greater than \$20,000 for each individual transaction without prior Board approval in either the annual Budget or for a non-budgeted item. (Splitting orders to avoid this requirement is not allowed);
- e) Acquire, encumber or dispose of real property valued in excess of \$10,000;

- f) Allow tax payments or other government-ordered payments or legal and regulatory compliance filings to be overdue without reasonable cause or inaccurately filed;
- g) Fail to settle payroll (in accordance with employment contracts) and debts (within credit terms) in a timely manner;
- h) Use any long term reserves or maintain reserve accounts for the purposes of managing earnings for questionable purposes;
- i) Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenue within 60 days;
- j) Fail to aggressively pursue receivables after their due date;
- k) Fail to follow and comply with applicable Australian Accounting Standards and use specialist advisors as required in the maintenance of the financial records of CHA.

### 3.3.3 Financial Delegations

The Board ensures that acceptable financial controls exist to ensure the appropriate stewardship of CHA's resources and obligations.

The Board delegates to the CEO responsibility for:

- a) the preparation of the annual operating budget by the end of J each year for presentation to the Board;
- b) the management of the annual Budget;
- c) the preparation and implementation of the financial risk management plan.

The board delegates authority to the CEO and CHA Business Manager for:

- a) Signing contracts;
- b) Initiating orders for payment;
- c) Receiving or depositing money;
- d) Investing available funds in short term bank products to maximise interest returns;
- e) Signing cheques;
- f) Withdrawal of money from CHA accounts;
- g) Use of the corporate credit card.

All authorisations to expend CHA funds or commit CHA to future payments must be made by two (2) signatories and records maintained for audit on proof of authorisation.

The CEO has the responsibility to establish and enforce written procedures for all financial delegations.

### 3.3.4 Asset Protection

The CEO shall not allow CHA's assets to be unprotected, inadequately maintained, or unnecessarily risked. Accordingly, the CEO shall not:

- a) fail to **insure** against theft and casualty losses to an appropriate level considered prudent risk management (at least 80% of replacement value);
- b) fail to maintain adequate safeguards against any single employee's **unbonded personal access** to material amounts of funds;
- c) unnecessarily expose the organisation, its Board, or staff to claims of **liability**;
- d) fail to maintain an appropriate **asset register**;
- e) subject physical resources, assets, facilities, premises and other material assets (including all plant, property and equipment) to improper wear and tear, insufficient maintenance, unauthorised or **improper use**;
- f) fail to **review asset condition** and expected lifespan of the asset and provision accordingly or allow assets to fall below corporate branding, OH&S, asset valuation and amenity expectations in appearance, security and utility (except where ATO asset valuations differ demonstrably from market valuations, e.g. with IT assets);
- g) make any **purchase**:
  - i. of over \$10,000 without having obtained comparative prices and quality;
  - ii. of over \$20,000 without a stringent method of assuring the balance of long term quality and cost.
 Splitting orders to avoid these requirements is not allowed;
- h) fail to maintain adequate records storage, **protect information**, files and intellectual property (including CHA branding) from loss, improper use or significant impairment or damage;
- i) receive, process, or distribute funds under controls that are insufficient to meet the Board-appointed **auditor's standards**;
- j) fail to keep all appropriate licences, permits, registrations, trade marks, patents, copyrights, registered designs and other relevant statutory or legal **compliance regulations** and documents current;
- k) fail to ensure premises meet appropriate government or regulatory **compliance standards** and any other statutory or minimum code requirements;

- l) hold operating capital in **insecure instruments**, including uninsured cheque accounts and bonds of less than AA rating, or in non-interest bearing accounts except where necessary to facilitate ease in operational transactions;
- m) endanger the organisation's (or any other parties it represents) **public image, reputation or credibility**, particularly in ways that would hinder its accomplishment of the Board's Strategic Direction policy priorities or purposes;
- n) undermine, cause to lose credibility, or otherwise jeopardise the **independence or transparency of any relationship the Board establishes with auditors** or other entities of governance support.

### 3.3.5 Legal, regulatory and accounting compliance obligations

The CEO shall not

- a) allow the legal, regulatory and accounting compliance obligations of the organisation to be disregarded, neglected, breached, or inadequately filed;
- b) fail to provide adequate instruction, training, and supervision of staff regarding all legal, regulatory and accounting compliance obligations imposed on the organisation (in particular regarding employment and workplace laws, and OH&S);
- c) fail to report on breaches or exceptions of legal, regulatory and accounting compliance obligations as necessary.

### 3.3.6 Contracts Arrangements

The CEO may not enter into any contract arrangements, commitments or other external party agreements where:

- a) they are inconsistent with the Strategic Direction policy, priorities or purposes as determined by the Board; and/or
- b) they are outside the Executive Limitations spelt out in this Charter, ie. they are outside the delegated powers of the CEO.

Before signing any contract on behalf of CHA the CEO shall be assured that:

- a) all ramifications of the contract regarding fiscal responsibilities and liabilities of CHA have been duly considered;
- b) the contractor has the capacity to produce appropriate and effective services or outcomes.



### **3.3.7 Compensation and treatment of employees**

The CEO is responsible for staff recruitment for all positions other than the CEO.

All staff appointments are to be based on merit and made through a selection process that is open, fair, lawful and respectful.

The Board requires that the CEO ensures all employees receive:

- a) appropriate orientation;
- b) annual performance review;
- c) just remuneration and conditions;
- d) a safe and ethical working environment;
- e) access to professional development opportunities appropriate to the needs of both the individual employee and CHA;
- f) appropriate confidentiality and privacy.

The CEO shall be responsible for the designation and level of remuneration of all staff positions (except for the CEO position), within the overall budget for wages and salaries determined each year by the Board, or amended from time to time as the Board sees fit.

Remuneration for individual staff (including employees and contractors) shall be consistent with established current compensation and benefits that derive from the geographical and/or professional market for the skills employed.

Grievance and disciplinary policies are the responsibility of the CEO and comply with the provisions of the relevant employment relations legislation. Where complaints are unable to be resolved by the CEO, they may be referred to the Board.

Board members can only make requests of the staff through the CEO, unless otherwise agreed to by the Board and CEO. This does not apply where a Director may be a participant in an expert advisory or other operational committee established by the CEO. Board members shall at all times relate to staff respectfully and in such a way that enhances not undermines the position of the CEO.

Staff (whether employed or contracted) only report to the Board through the CEO.

## **3.4 Selection & Appointment of a CEO**

The Board recognizes that selection and recruitment of a CEO is one of the most significant responsibilities the Board has due to the potential for this decision to impact on all of CHA's activities and performance in relation to strategic directions and capacity to meet its objectives.

CEO selection and appointment is an authority retained by the Board, not delegable to any officer or committee.

The Board may delegate to a committee responsibility for designing the selection criteria, advertising materials, and interview questions for the position. All such documentation is to be approved by the Board before use.

Remuneration to be advertised for the position of CEO shall be determined in accordance the CEO Remuneration policy outlined in section 3.5 of this Charter.

The selection panel for interviews of candidates for the position shall comprise the President, Vice President and up to 2 external members, and shall take into account long running collaboration with CHA.

The CEO must have a formal employment agreement describing his/her term of office, duties, rights and responsibilities and entitlements on termination.

### **3.5 CEO Remuneration**

The Board will determine the CEO Remuneration from year to year.

CEO remuneration will be determined and based on:

- a) benchmarks from the terms and conditions of employment of CEO's of other organisations with similar objectives and standards and of comparable size, challenges and complexities as CHA;
- b) Outcomes from the annual CEO performance appraisal process.

### **3.6 Performance Appraisal of the CEO**

The Board ensures that there is an annual performance appraisal of its CEO in keeping with sound Human Resources practice.

In light of the arrangement to share the secretariat with CHA, and the fact that the CEO therefore reports to both the CHA and WHA Chairs and Boards, this appraisal will be undertaken collaboratively with the WHA Board. The CHA President shall conduct the appraisal on behalf of the CHA Board in collaboration with a representative of the WHA Board.

The appraisal will enlist the following process:

- a) Development of a performance agreement for the upcoming year in discussion with the CEO and in light of the CHA Strategic Plan and the Annual Business Plan, agreed by the Board;
- b) At the end of the year, assessment of the CEO's overall performance against each of the performance and compliance criteria documented in the performance agreement;

- c) Discussion of the assessment with the whole Board in the absence of the CEO;
- d) Documentation of the Board's overall assessment and feedback;
- e) Discussion with the CEO by the President and Vice President of the Board's overall assessment of performance;
- f) Documentation of the CEO's response to the appraisal process and findings;
- g) Re-negotiation of a new performance agreement for the coming year.

### **3.7 CEO Termination**

CEO termination is an authority retained by the Board, not delegable to any officer or committee. However, the joint secretariat arrangement with Women's Hospitals Australasia means that should circumstances arise whereby the CHA Board is considering terminating the CHA CEO position, the CHA Board Chair will consult with the WHA Board Chair about the issues and concerns.

A committee process drawing upon representatives of each of the CHA and WHA Boards will be used to gather information relating to performance considerations and to provide options and their implications to the full Board.

The decision process will be informed by performance data drawn from the monitoring system, which is itself directly related to CEO performance on criteria the Board has stated in policy and earlier communicated to the CEO.

The Board may choose to terminate the CEO's employment contract for other reasons.

The Board may choose to terminate the CEO's employment with CHA independently of the views of the WHA Board on this decision, but not without prior consultation.

Regardless of the reason for termination, the Board must negotiate the terms of the termination or follow whatever provisions have been made by contract and are obliged by relevant Australian law.

### **3.8 Emergency CEO Succession**

The Board shall not fail to protect CHA from loss of its CEO.

Accordingly, the Board shall not have fewer than two other executives (Directors or approved alternative staff) familiar with Board and CEO issues and processes and who can provide emergency services.

The Chair of the Board shall also discuss with the Board an emergency short term planning in place for this contingency

## PART 4: GOVERNANCE POLICIES – THE ORGANISATION

### 4.1 Eligibility Criteria, Fees & Services for Membership

Under Clause 6.1 of the Constitution, the Board may create different classes of membership within the two categories of membership defined by the Constitution: namely “ordinary” and “associate” membership.

Organisations eligible for ordinary membership are those hospitals, healthcare facilities and hospital networks providing children’s health services (Clause 6.2)

The Board resolves that the following classes of ordinary membership (Clause 6.4) and annual fees for each class (Clause 7.1) shall apply from 1 July 2013:

#### CHA membership fees calculator

		Health services (whether individual sites or networks) providing care to children & young people	
		Separations p.a	Fees 2013-2014
Small	1	< 500	\$1,000
	2	500 - <1,000	\$2,000
	3	1,000- <2,000	\$3,000
	4	2,000 - <3,000	\$4,500
	5	3,000 - <4,000	\$6,000
Medium	1	4,000- <5,000	\$8,000
	2	5,000 - <6,000	\$10,000
	3	6,000 - <7,000	\$12,000
	4	7,000 - <8,000	\$14,000
	5	8,000 - <10,000	\$16,000
Large	1	10,000 – <15,000	\$18,000
	2	15,000 – <20,000	\$22,000
	3	20,000 – <30,000	\$26,000
	4	30,000 - <40,000	\$30,000
	5	>40,000	\$40,000

The following services and benefits shall be provided to all **ordinary members**:

- Access to benchmarking on activity and costings for an agreed range of clinical activities;
- Access to benchmarking on an agreed range of clinical indicators;
- Unlimited participation in CHA Special Interest Groups;
- Opportunity to initiate Special Interest Groups on topics of mutual interest to other members;
- Exclusive access to the CHA members section on our website with a repository of up to date information, articles and resources available to be shared with other member hospitals;
- Unlimited access to secure on-line forums on topics of interest to CHA member staff from a range of clinical and non-clinical roles to support sharing of information & expertise about best practice;
- Up to **30%** discount for staff registrations to national CHA conferences;
- Up to **30%** discount on CHA quality clinical forums;
- Complimentary news magazine – the Health Advocate, published by the Australian Healthcare & Hospitals association, which includes specific content on children’s health provided by CHA;
- Complimentary monthly e-news bulletins providing an ‘at your fingertips’ update on key developments in children’s care, policy and research;
- Advocacy on your behalf to ministers and senior officials in national (and in Australia, state and territory) governments.

The Board resolves that the following classes of ‘associate’ membership shall apply:

<b>Class of Associate Membership</b>	<b>Criteria for membership</b>	<b>Membership fee (AUD\$ including GST)</b>
<b>Organisations</b>	Not for profit organisations with an interest in Children’s health care that do not otherwise qualify for ordinary membership who support the objects of CHA (as defined in clause 2 of the Constitution)	<b>\$550</b>
<b>Individuals</b>	Individuals with an interest in children’s health care who support the objects of CHA (as defined in clause 2 of the Constitution)	<b>\$110</b>

The following services and benefits shall be provided to all **associate** members:

- Up to **30%** member discount on registration for national CHA conferences
- Complimentary monthly e-news bulletins providing an ‘at your fingertips’ update on key developments in children’s care, policy and research;

## 4.2 Member Representatives

Each ordinary member may appoint an individual to act as its Representative in all matters connected with the CHA (Constitution Clause 10.1). Clause 10.2 further provides that where the Ordinary Member is a Local Hospital Network or District Health Board, each hospital in the network may appoint a Representative.

The CHA Board has the power to make rules in relation to the appointment and responsibilities of the Representatives (Clause 10.3) and resolves the following:

- a) All Representatives are to be a staff member of the Ordinary Member appointing them;
- b) In accepting the appointment as a Representative, the person agrees to:
  - i. Provide current contact details to the CHA Company Secretary,
  - ii. Use their best endeavours to remain informed of the needs and views of the Ordinary Member relevant to CHA's activities and goals;
  - iii. Use their best endeavours to remain informed of the activities of CHA;
  - iv. Help CHA to effectively communicate with other staff within the same member hospital;
  - v. Make reasonable effort to attend CHA General Meetings;
  - vi. Faithfully reflect the views of the Ordinary Member in any discussion or voting at General Meetings;
  - vii. Arrange for the appointment of a proxy to attend on behalf of the Ordinary Member if they cannot personally attend such meetings and advise the CHA Company Secretary of the proxy's name and contact details (see section 4.3);
  - viii. Ensure the proxy is briefed on relevant information, issues and views to enable them to vote on behalf of the Ordinary member;
  - ix. Notify CHA if they feel unable to continue in the role of Representative;
- c) Where CHA is unable for some reason to communicate with a given Representative over a period of more than 3 months, CHA may approach senior management of the Ordinary Member to request an alternative Representative be identified;
- d) CHA will make every reasonable effort to ensure that the Representative is kept informed of its interactions with other staff at the same hospital (e.g. participation in Special Interest Groups), and to support the Representative in disseminating CHA information to colleagues.

### 4.3 Proxies for General Meetings

Clause 23 of the Constitution gives Ordinary members the power to appoint “a person” as that Member’s proxy to attend and vote on the Member’s behalf at General meetings. .

To support the efficient running of General and Annual General Meetings the Board resolves that:

- a) The Ordinary Member who appoints a proxy to vote on their behalf at a CHA General or Annual General Meeting must provide a written advice (email is sufficient) to the CHA President at least 48 hours prior to the General or Annual General meeting taking place advising the name and contact details of the proxy who has been appointed by them;
- b) The proxy shall make themselves known to the Chair of the General Meeting before the commencement of the meeting and advise the name of the Ordinary Member(s) for whom they will be voting;
- c) For ease of accurately recording member votes on any matter put to a General Meeting, the Chair reserves the right to ask at the outset of the meeting that all Representatives and proxies of Ordinary members sit together in an allocated area of seating at the General Meeting.

### 4.4 CHA Medal of Distinction

The Medal of Distinction was established by Children’s Hospitals Australasia (CHA) in 2004. The Medal of Distinction is intended to honour those individuals who make an outstanding contribution to improving the health of children through service provision, leadership or advocacy.

The Medal of Distinction may be awarded both to individuals directly affiliated with CHA and also to members of the broader community who, through their exceptional endeavours, improve children’s health.

For those directly affiliated with CHA, the criteria for awarding the Medal of Distinction include a significant period of service to CHA, and sustained leadership and advocacy for children’s health. The Medal of Distinction is not awarded for long service but, rather, for exceptional and meritorious service. For members of the broader community, the criterion is recognition at a national level for leadership and advocacy for children’s health.

The Medal of Distinction is usually awarded at the annual Conference. The Chief Executive will consult with the President and Directors of CHA prior to the Conference for nominations. Generally, one Medal will be awarded each year. On occasions, more than one Medal may be awarded or no Medal awarded.

The decision to award the Medal of Distinction is made by the President of CHA in consultation with CHA Directors.

## 4.5 Member Communications

The Board is committed to communicating effectively with CHA's members to ensure full access to member benefits and services, to provide information about the organisation's financial and operational performance, and to encourage participation in Board elections and Annual General Meetings.

The concise annual report, notice of Annual General Meeting, and election material (if an election is to be held), is communicated both electronically and by post to all members. This material is also published on the CHA website. Hard copies of the full financial report are made available to members on request.

Members' Representatives shall be made aware of upcoming Board meetings and invited to put forward any matters which the Member believes require Board deliberation, discussion or decision.

Minutes of Board meetings, or where more appropriate a summary of key decisions taken, shall routinely be made available to member Representatives unless the Representative requests not to receive this information. Minutes of Board meetings shall be available to the CEO or Representative of any Ordinary member on request to the Company Secretary.

All Board members are ambassadors for CHA by advancing the image and reputation of CHA among its members and in its community/sector.

In the interests of transparency to members, this Governance Charter shall be published on the members section of the CHA website.

The Board is also committed to communicating with CHA members in a range of different ways to maximise the opportunity for members to participate in CHA activities and to derive benefit from membership. The Board recognises that each member comprises a range of professionals with differing expertise, interests and needs. The Board is keen to meet the varying interests and needs of professionals within our membership via a variety of communication streams, including through providing:

- a) an up to date and relevant public website and member section;
- b) opportunities for communication within and between members through Special Interest Groups;
- c) opportunities for face to face networking at conferences, forums, workshops and the like;
- d) on-line discussion forums to facilitate sharing of information, experience and know-how on matters of common interest across our membership;
- e) a high quality print magazine on topical issues of interest to members;
- f) high quality and timely e-news bulletins on issues of interest to members.

While some of these communication mechanisms are currently well developed, others are under development. The Board resolves to offer the full range of communication options for members by the end of the 2011-2012 financial year.



## 4.6 Media Communications

While all Board members are ambassadors for the reputation of CHA, the Board recognizes that it is important to have, wherever possible, a single authoritative voice articulating the CHA's views and policies in the media. This ensures a consistent approach to public representations of CHA's views on any given issue.

The Board assigns this role to the President, who shall be the official spokesperson for the CHA in any dealings with the mass media. In so doing, the President shall make every endeavour to ensure their comments reflect the considered view of the Board as a whole on any given matter.

However the Board also recognizes that dealings with the media can involve short timelines in which it is not possible for the President to consult with the Board. The President is entrusted to make an appropriate judgement on the views or comments to be provided in such situations, and will be supported by the Board in that judgement.

The Board also delegates to the President, as Chair of the Board, the power to nominate another person from time to time, who may be asked to give an expert opinion in the media. This recognizes the diverse expertise and issues on which CHA is potentially involved in giving media comment.

The CEO shall work closely with the President in identifying issues on which CHA may choose to issue a media release, brief producers and journalists and seek out media attention for an issue or event. The CEO is authorised to provide background briefing to the media but may only make media comment on behalf of the organisation if authorised to do so by the President, or if the President is unable to be contacted, by a Vice President. The CEO is entrusted to make an informed professional judgement about the best person to give media comment (if any) in such situations.

## 4.7 Sharing secretariat services with Women's Hospitals Australasia

Since 2002, CHA has been committed to the mutually beneficial arrangement with Women's Hospitals Australasia (CHA) of sharing secretariat services delivered from an office in Canberra. The two organisations have complimentary goals and objectives focused around supporting member hospitals to strive for and deliver clinical excellence in their services to their respective patients - children and young people; and women and babies respectively. The two organisations also share some common members, where individual hospitals provide services to both women and children.

The CHA Board is committed to continuing this productive collaboration for as long as there continues to be mutual benefits to both organisations from doing so.

The sharing of secretariat services is guided by the following mutual understanding of terms and conditions:

- a) Each organisation continues to operate in law as a distinct entity, with legal, regulatory and fiduciary responsibilities and accountabilities for its own activities;
- b) Each organisation maintains separate accounts and the necessary accounting systems and rules to enable transparency and audit;
- c) The Board of each organisation retains responsibility for budgeting, allocating and monitoring its own financial resources without reference to the other, but shall take into account the impact of any major financial decisions on the partner organisation where they have the potential to affect the sharing of secretariat services (e.g. the impact of changes to the allocation of resources to shared staffing positions).
- d) CHA acknowledges that in legal terms, WHA employs all staff in the office and carries the legal responsibilities of providing a safe workplace, providing workers compensation insurance, ensuring compliance with relevant employment laws, managing staff performance, funding superannuation and the like. CHA contributes an equal share of the financial resources required to meet these responsibilities.
- e) The CEO, while legally employed by WHA, is accountable to the Chairs and Boards of both organisations, and is responsible for ensuring that the team of staff give approximately equal time and expertise to the activities of both organisations over the course of each year. Both organisations recognise that there may be days or weeks when greater time is dedicated by staff to the activities of one organisation or the other to support the delivery of particular events or services, but that over time, this evens out.
- f) CHA acknowledges that WHA owns assets associated with running the office (including furniture, computers, photocopiers, and other physical assets as recorded and updated each year on an assets register); and carries responsibility for maintaining, depreciating and replacing assets as required to enable the office to function efficiently and effectively. CHA contributes to the running costs and on-line maintenance of these assets but not to the costs of their depreciation or replacement.
- g) Should the CHA Board come to the view that it wishes to cease sharing secretariat services with WHA, it undertakes to give a minimum of 6 months notice of this intention to the WHA President. CHA notes that the WHA Board has made the same commitment in its Board Governance Charter.

## 4.8 Sponsorship

This policy covers financial relationships that CHA may enter into with corporate organisations interested in sponsoring CHA events, forums, products and/or activities.

CHA acknowledges the valuable support of sponsors in enabling it to provide a range of events and products to members at minimum cost to members and others. CHA is committed to finding win/win opportunities for partnerships with corporate organisations interested in promoting their products or services to professionals within our membership. The CHA Board values opportunities to enter into such partnerships with interested corporate organisations where there is an alignment of interests and values.

CHA endorses the UNICEF international convention and protocols on the Rights of the Child (<http://www.unicef.org/crc/>). CHA also endorses the World Health Organisation International Code on the Marketing of Breast Milk Substitutes. CHA will only accept sponsorship from companies whose activities, products and services comply with the principles and protocols of the UNICEF Convention of the Rights of the Child and the WHO Code on Marketing of Breastmilk Substitutes.

Sponsors may not use the CHA name or logo without a written agreement authorising them to do so and indicating the terms on which the logo and/or name may be used, and the duration for which the agreement applies.

Any sponsorship arrangement which CHA accepts does not imply endorsement by CHA of the products or services of the sponsor, except where a specific written agreement is entered into and duly authorised by CHA, indicating CHA's endorsement of a particular product or service. CHA is open to entering into a corporate partnership with suitable companies, where the arrangement does not involve payment being made to CHA contingent upon the sale of any individual good or service supplied by that Company. Rather the arrangement shall entail an agreed annual contribution provided to CHA and payable on a frequency as agreed between CHA and the Corporate Partner

This sponsorship policy also applies to any advertising accepted by CHA in any of its products or at any of its events.

## 4.9 CHA Code of Conduct

The Board has adopted, and from time to time amends, the CHA Code of Conduct. This is a formal Code of Conduct to be observed by all Directors and officers. The Code of Conduct appears at Appendix B to this Charter.

The Code of Conduct governs the operations of CHA and deals with compliance in the following areas of conduct:

- a) Personal & professional conduct
- b) Equal opportunity

- c) Confidentiality
- d) Conflict of interest
- e) Occupational health & safety
- f) Use of CHA resources
- g) Acceptance of gifts & benefits
- h) Public comment
- i) Secondary employment & private practice
- j) Intellectual property & copyright
- k) Breach of Code

## 4.10 Whistleblowers

This policy covers procedures for dealing with reports of suspected improper conduct within the CHA Board, office and/or committees and addresses the protection of individuals making those reports.

All CHA Directors, staff and volunteers are encouraged and have a responsibility to report any known or suspected incidences of improper conduct by making a protected disclosure in accordance with this policy.

CHA Directors, staff and volunteers should in the normal course first report such matters to their immediate manager or committee chair. However, if he/she has a concern with that (e.g. they reasonably believe that the manager or Chair is involved in the improper conduct) the report should be made to the CHA Board Chair (President), or if necessary the Vice President(s).

If the person to whom improper conduct is reported judges the protected disclosure to be of significance, they must:

- a) ensure the CEO is aware of the disclosure, or if the CEO is the subject of the concern, ensure the Board Chair is aware of the disclosure, or if the Board Chair is the subject of the concern, ensure that the Vice President(s) is/are aware of the disclosure;
- b) the CEO/Chair/Vice President(s) will form a committee to investigate the concern further; and
- c) the whistleblower will be kept informed of action taken in relation to his/her disclosure.

All CHA Directors, staff and volunteers also have an important responsibility concerning the welfare of the whistleblower within the organisation and must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a protected disclosure.

All CHA Directors, staff and volunteers must take all reasonable steps to maintain the confidentiality and identity of a person they know or suspect to have made a disclosure.

The CHA will take all reasonable steps to protect the identity of the whistleblower and is committed to protect them against action taken in reprisal for making of protected disclosures. Maintaining confidentiality and anonymity is crucial in ensuring reprisals are not made against the whistleblower.

The CHA acknowledges that the act of whistle blowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct. A person's liability for his/her own conduct is not affected by the person's disclosure of that conduct. However, the principles of self-incrimination will be taken into account, such that, an admission may be a mitigating factor when considering disciplinary or other action.

For the purposes of this policy, improper conduct is defined as:

- a) corrupt conduct;
- b) fraudulent activity;
- c) a substantial mismanagement of CHA resources;
- d) conduct involving substantial risk to the occupational health or safety of a CHA employee (or contractor);
- e) conduct involving substantial risk to public health or safety; or
- f) conduct involving substantial risk to the environment;

that would, if proven, constitute by a member of the CHA or its Directors, staff or volunteers:

- a) a criminal offence;
- b) reasonable grounds for dismissing or dispensing with, or otherwise terminating, the services of the CHA Director, staff or volunteers who was, or is, engaged in that conduct; or
- c) reasonable grounds for disciplinary action or sanction.

## 4.11 Complaints & Conflict Resolution

CHA is committed to an accessible, fair, transparent and efficient process for handling complaints about any of its activities, policies or behaviours.

CHA will treat a matter as a complaint where it:

- a) is a written expression of significant concern, dissatisfaction or frustration with the quality or delivery of a service or event by CHA or the conduct of an employee; and/or
- b) alleges misconduct, corruption or other unlawful behaviour on the part of a CHA employee or office bearer.

In the event that a complaint is received in writing from a member or other stakeholder, CHA will, in line with the Australian Standard for Complaints Handling (AS ISO 10002-2006):

- a) seek feedback and suggestions for improvement proactively as a routine part of our delivery of services;
- b) welcome critical feedback from members and other stakeholders who are dissatisfied with our decisions, actions, or services;
- c) provide accessible, transparent and accountable processes for resolving the complaint;
- d) handle any complaints received with objectivity, confidentiality, sensitivity and fairness, and in a timely manner that keeps the complainant informed;
- e) respect the right of a complainant to express their views of the matter raised and to a considered response;
- f) offer alternative independent options for complaint mediation and resolution if CHA's processes do not lead to a resolution satisfactory to both CHA and the complainant;
- g) recognise member and stakeholder feedback and complaints as opportunities to build knowledge and improve services; and
- h) strive at all times to prevent the need for complaints by providing courteous, professional, quality services.

#### **4.12 External Auditor**

An External Auditor shall be appointed each year by general resolution of Members at the Annual General Meeting. The external auditor may be requested to attend CHA's Annual General Meeting and be available to answer questions about the audit and the preparations and content of the Auditor's report.

#### **4.13 Review of CHA Governance Charter**

In the interests of sound governance of CHA, the Board commits to reviewing the governance policies contained in this Charter regularly and when necessary changing them, in accordance with best practice governance principles, current Australian law and the needs and best interests of the membership, as owners of CHA.

All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the Board. The Board can monitor any policy at any time by any method, but will ordinarily depend upon a routine schedule and will give reasonable notice to the CEO to provide the necessary data on compliance or performance.

Any new governance policies established by the Board following the passage of a resolution to adopt this Charter, shall be included in this Charter. The latest date on which the Charter has been reviewed, and a resolution passed by the Board to adopt it, shall be published in the footer.

## Appendix A:

### Australian Stock Exchange Principles of Good Corporate Governance

The Australian Stock Exchange (ASX) Corporate Governance Council has developed a set of guidelines, Principles of Good Corporate Governance and Best Practice Recommendations. This document was updated in 2010.

This document articulates 10 core principles that the ASX Corporate Governance Council believes, if followed, help to ensure good corporate governance. The principles are compulsory for publicly listed companies on the ASX, but are advisory only for organisations like CHA which are registered with the Australian Securities and Investments Commission but are not listed companies.

Each principle is then explained in detail, with guidance to organisations in the form of best practice recommendations. Because the principles have been developed with publicly listed companies in mind the language is geared towards shareholders for some of the principles. For CHA, on most points, it is relevant to simply substitute the term 'shareholder' with 'member'.

The 8 principles are:

1. Lay a solid foundation for management and oversight
2. Structure the board to add value
3. Promote ethical and responsible decision-making
4. Safeguard integrity in financial reporting
5. Make timely and balanced disclosure
6. Respect the rights of stakeholders (members)
7. Recognise and manage risk
8. Remunerate fairly and responsibly

A copy of this ASX document is available on the ASX website [www.asx.com.au](http://www.asx.com.au) and specifically at:  
[http://www.asx.com.au/documents/about/cg\\_principles\\_recommendations\\_with\\_2010\\_amendments.pdf](http://www.asx.com.au/documents/about/cg_principles_recommendations_with_2010_amendments.pdf)

(accessed on 8 August 2011)



## Appendix B

### CHA Code of Conduct

The Children's Healthcare Australasia (CHA) 's vision is to enhance the health and wellbeing of children and young people through supporting health services to achieve excellence in clinical care.

This Code of Conduct aims to foster and maintain public trust and confidence in the integrity and professionalism of CHA 's Directors, staff and volunteers working to achieve this vision by ensuring that they:

- maintain appropriate standards of conduct;
- maintain fairness and equity in decision making; and
- maintain and enhance the reputation and professionalism of the CHA.

The purpose of this Code of Conduct is not to restrict a person's rights, but rather to provide clarity about what conduct is expected and necessary when they are engaging in activities with and/or on behalf of Children's Healthcare Australasia (CHA).

All CHA Board Directors, volunteers, and staff (including contracted service providers) are expected to adhere to the codes of conduct and behaviour set out in this policy.

The CHA recognises that the Code of Conduct is not a replacement for any Act or Regulation, and that provisions of criminal codes and legislation still apply to all CHA Directors, staff, contractors and volunteers. The CHA also recognises that many of its Directors, staff and volunteers are also bound by codes of conduct or ethics defined by professional societies or groups.

CHA Directors, staff and volunteers should familiarise themselves with the contents of this Code of Conduct, and ensure they observe its provisions. They should also realise that departure from the provisions of this Code and the Acts on which it is based, could be grounds for disciplinary action.

#### 1. Personal and Professional Conduct

The personal and professional conduct of CHA Directors, staff and volunteers should conform to standards that could reasonably be expected of such persons by virtue of their positions. They should refrain from any form of conduct, in relation to others that may cause offence or embarrassment, or in any way impugn the reputation of CHA.

All Directors, staff and volunteers shall abide by the following *principles of behaviour and conduct*

- Be committed to the continuous improvement of CHA and support the strategic plan.
- Behave honestly and with integrity.
- Act with care and diligence.
- Treat everyone with respect and courtesy and without harassment.
- Comply with any lawful direction or policies of CHA, including but not limited to Occupational Health & Safety requirements
- Maintain confidentiality about all dealings in connection with members, clients and the organisation.
- Disclose, and take reasonable steps to avoid, any real or apparent conflict of interest immediately it becomes apparent
- Use CHA's resources in a proper manner for CHA purposes.

- Ensure their work is carried out efficiently, economically and effectively, and that the standard of work reflects favourably on the CHA
- Be accountable for their actions when representing the organisation.
- Behave in a manner that upholds the values, integrity and good reputation of CHA.

## 2. Equal Opportunity

The CHA is committed to providing a work environment for Directors, staff and volunteers that is free from unlawful discrimination and vilification against individuals on the basis of sex, relationship status, pregnancy, parental status, breastfeeding, age, race, impairment, religious belief or religious activity, trade union activity, lawful sexual activity, sexuality, family responsibilities, or association with or relation to a person identified on the basis of any of the above attributes, as provided for in relevant Commonwealth and state/territory laws.

The CHA will not tolerate or support any type of harassment or bullying in the workplace and is committed to the prevention of harassment and bullying within CHA.

CHA Directors, staff and volunteers are required to comply at all times with the legislation and established CHA policies and guidelines in the above matters.

## 3. Confidentiality

Directors, staff and volunteers have an obligation not to disclose or misuse confidential information relating to CHA. This obligation exists in every relationship, even if it is not written in a contract, and it continues after the period of engagement / employment.

“Confidential Information” is defined as information that is confidential to CHA, which means that it is not known in the public domain. This includes any and all customer information. CHA reserves the right to designate information as Confidential at any time.

- **Non-disclosure:** During or after their appointment or employment with CHA a Director, staff member or volunteer will not use any confidential information in any way other than for the business of CHA, and will not disclose, use, or transfer any of the confidential information other than as authorised by CHA.
- **Disclosure prevention:** Directors, staff and volunteers will take all reasonable precautions to prevent the intentional, negligent, inadvertent or accidental disclosure of confidential information by them, or any other person or entity in possession of such information.
- **Copying/removal:** Directors and staff will make no copies of, nor will remove from CHA premises, any physical embodiments of confidential information except for use in the organisation’s business or as authorised by CHA.
- **Return:** Directors and staff will return to CHA all physical embodiments of confidential information and all other property of the organisation at any time on the request of CHA, and in any event and without request by CHA prior to the effective date of termination of their appointment / employment.
- **Termination:** Employees acknowledge that their employment with the CHA may be subject to termination (on notice or by way of summary dismissal) for any breach of this policy, and that any such termination will not relieve them of their continuing obligations under the policy or from the imposition of any judicial remedies such as monetary damages or injunctive relief.
- **A confidentiality agreement** will be signed by all Directors & employees upon commencing at CHA.

CHA Directors, staff and volunteers are entitled to confidentiality and privacy regarding information that is personal to them. CHA Directors and staff have a duty to maintain the confidentiality; integrity and security of such information, in any form, to which they have access in the normal course of their work with/for CHA.

Information may be disclosed only where the disclosure has been authorised by the original provider and/or is required or authorised by legislation.

CHA Directors and staff are expected to make use of available information in an appropriate manner, and to report to the Board Chair or the CEO respectively any actual or suspected misuse of information.

#### **4. Conflict of interest**

CHA Directors and staff should not act in any manner that would gain unfair advantage for themselves or other individuals, in areas such as the letting of contracts or purchasing of goods and services by CHA.

Situations should be avoided where private interests, pecuniary or otherwise, conflict or might reasonably be thought to conflict, with their duties to the CHA.

CHA Directors and staff should disclose immediately any matter that could directly or indirectly compromise the performance of their duties, or conflict with the CHA's interests.

CHA Directors and staff, who consider that they are, or could potentially be, involved in a conflict of interest should refer the matter to the Board Chair or the CEO respectively.

#### **5. Occupational Health and Safety**

All CHA Directors, staff and volunteers must take reasonable care for the health and safety of persons who are at their place of work and who may be affected by their acts or omissions at work.

Directors, staff and volunteers have a moral, as well as a legal, obligation to comply with statutory and CHA systems, procedures and rules that are introduced to protect the health and safety of CHA Directors, staff, volunteers and other people using CHA facilities and/or undertaking work on behalf of CHA.

#### **6. Use of CHA resources**

CHA Directors and staff have a responsibility to ensure that resources, funds, staff or equipment under their control, are used effectively and economically in the best interests of CHA.

CHA resources should only be used for official CHA business. Unless permission has been granted, CHA Directors and staff must not use the services of other CHA Directors, staff or CHA facilities for private purposes.

All CHA resources including funds, staffing, computers, photocopiers, equipment, stationery, travel and motor vehicles must be used effectively and economically on work related matters. Approval must be sought from the Chief Executive for use of CHA resources for non-official purposes. If so authorised, the user is responsible for safeguarding, repairing and replacing, if lost, the CHA's property.

Financial procedures and systems are in place to ensure that the CHA is publicly accountable for expenditure of monies entrusted to it. Fraud or theft by a CHA Director or employee may result in dismissal, and where appropriate, legal action will be taken.

CHA information systems should be used only for official CHA business. CHA Directors and staff are obliged to use electronic equipment and copying devices responsibly.

CHA information systems, including software and computer equipment, may be used only by CHA Directors, staff or volunteers of the CHA in accordance with CHA policy.

To use the CHA's computer, Internet and email facilities CHA Directors, staff and volunteers must agree to the conditions of access. These require that the facilities be used for work activities in a responsible, ethical and legal manner. Unacceptable use includes

- accessing social media websites for personal communications unrelated to CHA business;
- violation of the rights of others;
- commercial use;
- breach of copyright or intellectual property;
- illegal activity or gambling;
- issuing of harassment, threat or discriminatory acts;
- storing or conveying inappropriate or objectionable material such as nudity, sexual activity, drug misuse, crime, cruelty or violence.

Staff must safeguard their password access.

The CHA reserves the right to monitor its IT network, programs and usage to ensure the integrity of their use and to maintain records of activities.

## **7. Acceptance of gifts and benefits**

CHA Directors and staff should not solicit gifts or benefits.

CHA Directors and staff may accept token gifts or benefits from member organisations or volunteers provided there is no chance that the recipient may be, or might appear to be, compromised in the process; and/or provided the gift would not be seen by others as either an inducement or reward which might place a CHA Board Director or employee under an obligation. An offer of such a gift should be politely declined and any unsolicited gift be promptly and publicly returned.

Where CHA Directors or staff, directly or indirectly, receive a royalty, gratuity, commission or any other benefit in respect of any aspect of their work as a CHA Director or employee, full disclosure shall be made to the Board Chair or the CEO respectively.

## **8. Public comment**

Individuals have the right to make public comment and engage in intellectual debate and cultural pursuits in their private capacity as volunteers of the community. However, CHA Directors and staff should make it clear that other than in the course of duty, they are not making an official comment nor representing an official position of the CHA. Public comment is any comment that might be expected to be circulated or published outside the CHA as the views of the CHA.

In making written or oral comments, which claim to represent the views or authority of the CHA and which might be expected to become public, CHA Directors and staff have a responsibility to

ensure that they hold authority to speak through the Chair of the Board or the Chief Executive Officer respectively before making such public comments.

Contents of official documents or privileged knowledge may only be released by CHA Directors or staff with the authority to do so.

## **9. Secondary employment and private practice**

CHA employees should refrain from engaging in any outside work that would compromise their integrity and independence or create a real, potential or perceived conflict of interest with CHA business.

Full time staff who wish to engage in paid employment outside their official duties<sup>i</sup> should obtain the prior approval of the Chief Executive Officer.

External Service Provider (ESP) contracts will not be entered into for CHA staff employed as a 1.0 FTE. CHA staff employed for less than 1.0 FTE may enter into an ESP contract under the following conditions:

- that the additional contracted work when added to their FTE position does not exceed 1.0 FTE.
- that the work that they are being contracted to undertake is not related to any aspect of their substantive role at the CHA.

Part time, casual, sessional, temporary or contracted staff will advise the Chief Executive Officer of any actual, potential or perceived conflict of interest between their employment with the CHA and any other employment. Any secondary employment/private practice will:

- be performed outside normal CHA working hours
- not conflict with CHA work
- not adversely affect the individuals work performance, safety or the safety of colleagues or customers
- not involve the use of CHA resources.

## **10. Intellectual property/copyright**

The CHA is the owner of intellectual property<sup>ii</sup> created by CHA Directors, staff and volunteers in the course of their engagement or employment with the CHA unless a specific agreement has been made varying this principle.

CHA Directors, staff and volunteers must clarify the intellectual property positions before making any use of that property.

## **11. Breach of Code**

Breaches of this Code should be dealt with as a breach of discipline or misconduct under any relevant registered industrial award or agreement, or any legislation or policy of the CHA.

## **12. Protected disclosure of information**

If a CHA Director or employee knows about or has good reasons to suspect possible corrupt conduct<sup>iii</sup> including fraudulent activity, maladministration<sup>iv</sup>, or serious and substantial waste of CHA money or other resources, they must report it immediately to the President and/or the Chief Executive Officer. The CHA will use its best endeavours to protect CHA Directors and staff who in

good faith report such breaches. Such disclosures shall not be deemed to be a breach of this Code.

### 13. Notification of Criminal Offence

CHA Directors, staff (including contractors) and volunteers are required to notify the Chief Executive Officer in writing if they are charged with or convicted of a serious criminal offence.

**[Last updated: January 2012]**

#### Notes

---

<sup>i</sup> This includes a family company or business.

<sup>ii</sup> **Intellectual property** includes the rights relating to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations, inventions in all fields of endeavour and all other rights resulting from activity in the industrial, scientific, literary or artistic fields.

<sup>iii</sup> **Corrupt conduct** commonly involves the dishonest or partial use of power or position resulting in one person being advantaged over another. Corruption can take many forms including (but not limited to):

- official misconduct;
- bribery and blackmail;
- unauthorised use of confidential information;
- fraud; and
- theft.

Fraud is dishonesty and usually takes the form of giving a false impression, through a statement or conduct, in order to gain a material advantage.

<sup>iv</sup> **Maladministration** is conduct that involves action or inaction of a serious nature that is:

- contrary to law;
- unreasonable, unjust, oppressive or improperly discriminatory; or
- based wholly or partly on improper motives.